

Office of the Attorney General



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FOR IMMEDIATE RELEASE

Attorney General Terry Goddard announced the settlement of the consumer fraud lawsuit filed by the Arizona Attorney General's Office against Labor Ready, Inc. Labor Ready Southwest, Inc., and Labor Ready Properties, Inc. for alleged violations of the *Check Cashers Act* and the *Arizona Consumer Fraud Act*. Among other concessions, the settlement requires Labor Ready to pay \$150,000 first in restitution to eligible current and former employees and then, after paying restitution, the balance goes to non-profit organizations. The settlement also prohibits Labor Ready from charging its employees any fee to cash their paychecks.

Labor Ready has a variety of offices throughout Arizona, and hires day labor employees to do manual labor for Arizona businesses. Under Labor Ready's "Work Today, Cash Today" program, Labor Ready promised its day laborers a cash payment at the end of each work day. In order to actually receive cash from Labor Ready, however, the workers had to cash their paychecks using a cash dispensing machine (CDM) located in each Labor Ready office. Labor Ready's CDMs automatically deducted "\$1 plus the change" on the employees' paychecks before dispensing cash. For example, a day laborer who made \$20.99 for a day's work had to pay Labor Ready \$1.99 to have his/her check cashed. The State's lawsuit alleged that charging employees to cash their paychecks violated the law (a total of \$9.95 for five days' labor).

"Arizona workers are the winners in this settlement, and it sends a signal to businesses that they cannot take advantage of workers who depend on day labor jobs to feed their families," said Attorney General Terry Goddard.

Labor Ready must pay \$150,000 in restitution to eligible current and former employees who had money deducted from their paychecks by Labor Ready's cash dispensing machines. After the refund period expires, any money left from the \$150,000 fund must go in equal parts to four non-profit groups for direct services. The groups, chosen by Labor Ready include Habitat for Humanity, Tucson; Habitat for Humanity, Valley of the Sun; Primavera Foundation, Tucson; and Central Arizona Shelter Services Temporary Employment Services, Phoenix.

Eligibility for Restitution

- Current and former Labor Ready employees are eligible to receive restitution if they had money deducted from their pay by a cash dispensing machines between July 18, 2000 and December 6, 2002.
- Eligible employees have 120 days from the February 5, 2004 to request restitution. Employees may make this request to the following entities:
 - Any Labor Ready dispatch office. Labor Ready must notify current and former employees of the refund program by posting clear and conspicuous English and Spanish signs, readable by the ordinary Labor Ready employee, inside and outside its dispatch offices. Each office must provide a clear and conspicuous sign-up sheet for employees to request restitution.
 - Labor Ready is prohibited from taking any retaliatory action against the employees who request a refund.
 - Office of the Attorney General – Phoenix Office: 602-542-5763; Tucson Office: 520-628-6504; outside these areas: 1-800-352-8431.

In addition, the Attorney General will contact advocacy groups for the homeless and working poor to help locate eligible employees.

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